

The Changing Data Landscape in the Irish PRS

DATE

3 September 2024

VENUE

Data Politics of Housing and
Planning, Maynooth
University

AUTHOR

Rachel Slaymaker (ESRI)



Motivation

- Rental sector has played increasingly important role in housing Irish households in recent decades
- 19% of households in PRS – Census 2022
- Significant affordability challenges (Corrigan et al., 2019; Disch & Slaymaker, 2022)
- Lack of & falling availability of properties (Daft)
- Housing highly politicised
- Crucial to have timely insights into PRS trends using large administrative datasets

Outline

- Overview of Rent Index Process
- Data Users
- Recent Developments
- Challenges
- Opportunities & Future Work

RTB Administrative Tenancies Data

Tenancy Registration Requirements:

- Landlords required to register new tenancy with RTB
 - Section 134 of Residential Tenancies Act 2004
- Since April 2022 landlords also required to register tenancy every year whilst ongoing
 - Residential Tenancies Amendment Act 2019

RTB Tenancies Dataset:

- Each registration contains info such as: tenancy start date, rent, property type, no. bedrooms, no. tenants, address

RTB Quarterly Rent Index Reports

New Tenancies Index (Q3 2007-present)

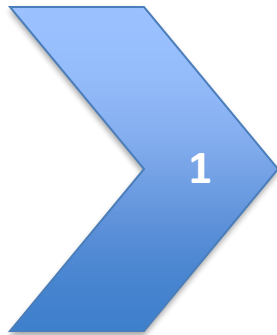
- Measures developments in prices by those taking up new tenancies & covers:
 - New tenancies in existing rental properties
 - New rental properties never let before
 - New tenancies in properties not let in previous 2 years

Existing Tenancies Index (Q2 2022-present)

- Comparable indicators for ongoing tenancies of at least 1 year in duration

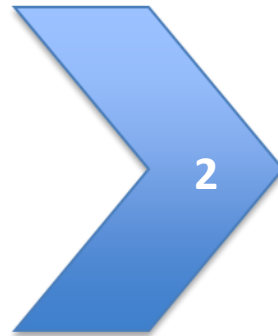
RTB Quarterly Rent Index Process

Data Cut



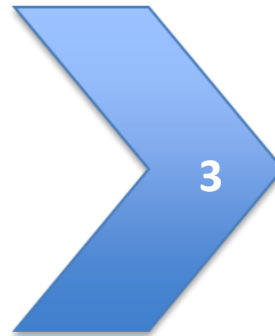
- RTB take cut of register
- Address, Eircode, LEA verification by Autoaddress
- ESRI receive data

Data Cleaning



- Name & address matching to verify new vs annual reg classified correctly
- Standard variable cleaning
- Outlier removal process
- Final sample

Hedonic Model



- Estimate series of hedonic econometric models

Index Calcs



- Use model coefficients to generate index of rent growth and levels by applying growth rates to initial average rent from starting period

Report Publication



- Collate report & data tables for publication
- Present to policymakers, stakeholders & media

RTB Rent Index Report

- **What it does....**
 - Tells us about new tenancy rents and the rents of sitting tenants
 - Quarterly estimates compare new tenancies with tenancies that started in same quarter of a previous year
 - Not a stock of all tenancies & seasonal patterns will be evident
 - Allows us to gauge how rents are changing for the majority of tenants (i.e. who we don't see through new registrations)
 - This is really important for affordability as these are likely the rents faced by a greater proportion of tenants in the market
- **What it can't do...**
 - Examine compliance with RPZ legislation
 - Compliance requires tracking individual properties over time
 - Measure market dynamics (e.g. landlord or tenant entry and exit)

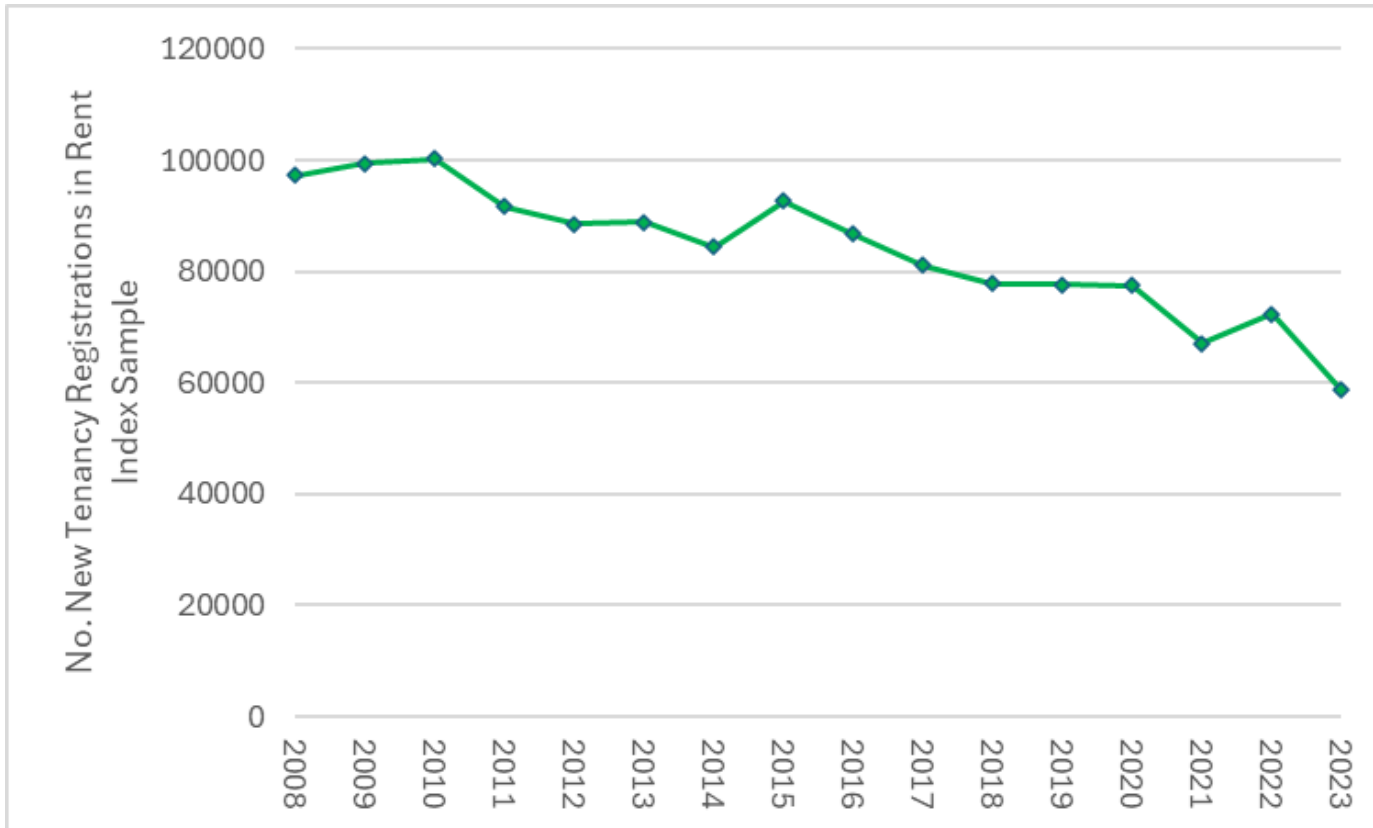
Data Users?

- New Tenancies Rent Index used for Rent Pressure Zone designation
 - Conditions on rental growth & rent levels vs reference rate
- Policymakers
- Local Authorities
 - Detailed local area estimates
- Media

RTB Data- Recent Developments

- Annual registration data collection from Q2 2022 onwards
- Two metrics now included in Rent Index reports:
 - i) New Tenancies Index (Q3 2007-present)
 - Longstanding index of new tenancies
 - ii) Existing Tenancies Index (Q2 2022-present)
 - At least 1 year in duration (annual registrations)
- Large sample sizes – only comprehensive data source on quarterly developments for both new and ongoing tenancies
- Strengthens ability to understand PRS overall, especially with recent drops in new tenancy registrations

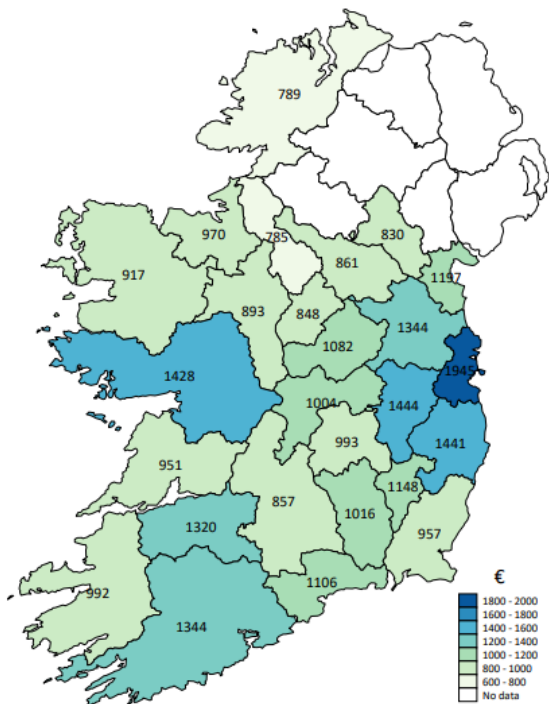
RTB New Tenancy Registrations 2008-2023



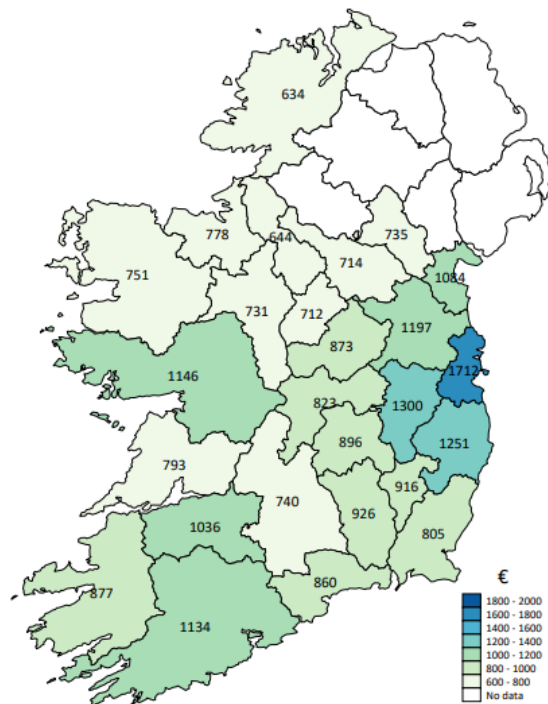
Measures based on new tenancies represent an increasingly small share of overall PRS

Insights into Ongoing vs New Tenant Price Differentials

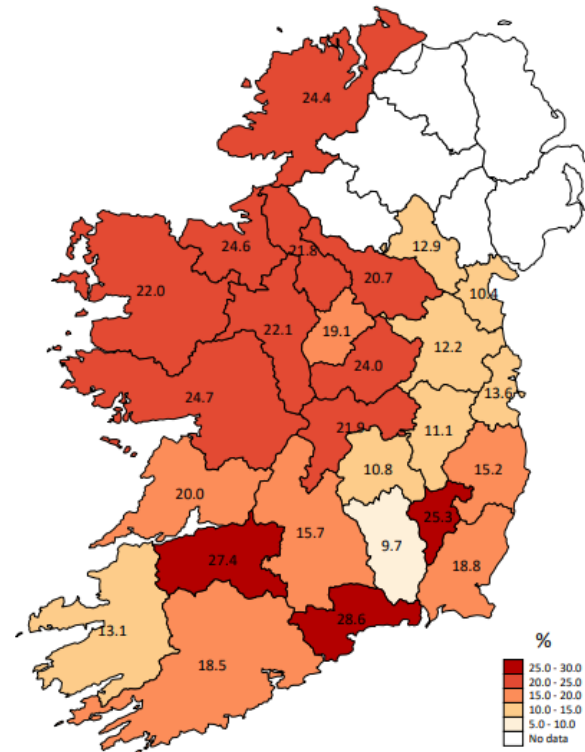
(a) New Tenancies



(b) Existing Tenancies



(c) % Difference



Reported rents are raw mean rents for the Q2–Q3 2022 period

Source: Slaymaker & Shiel (2023)

Rent Index - Challenges

- Housing highly politicised
 - Certain narratives have developed – not backed up by data
- Communication of complex findings
 - Rental inflation findings can be complex
 - Crucially what Rent Index **cannot** show
 - Tells us nothing about household/property level rental inflation or compliance with RPZ regulations
- Administrative data collection
 - Dependent on legislation – can be slow to change
- Housing policy – frequent changes
 - Can data keep up?

- Fills a major data gap
- Facilitates better monitoring of the sector and to inform rental policy

Future work:

- Property-level – need 2 years of data
 - E.g. How many households see no change y-o-y, change up to 2%, above 2% etc.? Differences RPZ vs non?
- Explore alternative Rent Index methodologies
 - E.g. Repeat Rent Index – tracks individual properties over time – clearer picture of property level rental inflation